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**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

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Application of Pacific Gas and Electric Company (U 39 E) for Commission Approval Under Public Utilities Code Section 851 to Sell the Merced Falls Hydroelectric Project to Merced Irrigation District (U 39 E)	Application No. 15-04-_____

APPLICATION OF PACIFIC GAS AND ELECTRIC COMPANY (U39E) FOR COMMISSION APPROVAL UNDER PUBLIC UTILITIES CODE SECTION 851 TO SELL THE MERCED FALLS HYDROELECTRIC PROJECT TO MERCED IRRIGATION DISTRICT

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Dated: April 1, 2015

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I. INTRODUCTION

Pacific Gas and Electric Company (PG&E) respectfully requests that the California Public Utilities Commission (Commission or CPUC) authorize the sale by PG&E of the Merced Falls Hydroelectric Project (Project) to the Merced Irrigation District (MID). PG&E also requests the Commission approve the requested ratemaking treatment and the Conservation Easement (CE) conveying a permanent conservation easement to the Sierra Foothill Conservancy (SFC) in accordance with terms and conditions specified in PG&E's bankruptcy Settlement Agreement (Settlement) and related Stipulation Resolving Issues Regarding the Land Conservation Commitment (Stipulation) approved by the Commission in Decision 03-12-035.[1/]

This Application is made pursuant to Public Utilities Code Section 851 and Articles 2, 3, and 7 of the Commission's Rules of Practice and Procedure.[2/]

II. BACKGROUND INFORMATION AND DESCRIPTION OF THE PROJECT

The Project (FERC Project No. 2467) is located on the Merced River on the border of Merced and Mariposa Counties, California. It generally consists of a 3.5 megawatt (MW) hydroelectric powerhouse presently generating approximately 14.4 gigawatt hours (GWh) per

1/ The conveyance of the Conservation Easement from MID to Sierra Foothill Conservancy will be effectuated pursuant to the terms of the PG&E and MID Purchase and Sale Agreement.

2/ Concurrently with the filing of this Application, PG&E is filing a Motion for Leave to File Under Seal for Attachment C of this Application.

year, a 575-foot long by 34-foot high concrete gravity dam containing three radial gates, a 65-acre reservoir with approximately 900 acre-feet of storage, related equipment, approximately 20.5 acres of land (Property), Federal Energy Regulatory Commission (FERC) license, easements, and water rights. It is operated as a base-load run-of-the-river facility. It was originally constructed as a dam in 1854. The existing generating unit was installed in 1930, and the Project has been providing electric service for the last 85 years.

MID is an irrigation district, formed in 1919 pursuant to California Irrigation District Law (Cal. Water Code, §§ 20500 *et seq*.). MID provides irrigation water for agricultural purposes and local flood control. Additionally, MID is a local publicly owned utility providing non-exclusive electric service to retail customers in eastern Merced County.

The Project is immediately downstream from MID's Merced River Hydroelectric Project (FERC Project No. 2179), and is approximately three river miles upstream from MID's Crocker-Huffman Diversion Dam.

While PG&E owns the Project, MID operates it on behalf and at the direction of PG&E through a Coordinated Operations Agreement (Attachment A) because the Project is remote from other PG&E hydropower facilities but close to MID's hydropower facilities. The inflow to the Project is controlled by MID's upstream hydro project; and the Project impoundment and outflows from the Project powerhouse are controlled to match the flow requirements for MID's irrigation canals that come off of the Project's impoundment and off of MID's downstream Crocker-Huffman Diversion Dam. Because of these conditions, MID plans to continue operating the Project in generally the same manner that it is operated today.

III. REASONS FOR THE PROPOSED SALE

The Project's assets included in the proposed sale generally consist of:

- The 3.5 MW powerhouse. The average annual energy produced from the Project, calculated from 25 years of historic generation records, is approximately 14.4 GWh per year.

- The concrete dam. The Project includes a 575-foot long by 34-foot high concrete gravity dam containing 3 radial gates. Additional dam facilities include a 1,000-foot long earthen levee, and an adjacent intake structure with a debris rack.
- Impoundment. An approximately one-mile long by 500-foot wide impoundment on the Merced River that has approximately 900-acre-feet of storage capacity. The total surface area of the impoundment is approximately 65 acres.
- Other assets. Additional Project-related assets include approximately 20.5 acres of land, the FERC Project license, easements and water rights.

A complete description of the sale assets is found in the Purchase and Sale Agreement for the Project (Agreement) (Attachment B).

Assets excluded from the sale include a local electric substation, transmission and distribution equipment that will remain owned and operated by PG&E. A list of equipment not included in the sale is also included in the Agreement.

PG&E and MID have periodically discussed the potential for a sale of the Project over the last five years. Recently, through arm's length negotiations, the parties agreed to a sale price of $850,000. MID will pay $50,000 at execution of the Agreement and pay the remaining balance at closing. As described in the Agreement, PG&E is selling the Project "as is, where is". MID has been provided with the opportunity to inspect the Project assets and conduct appropriate due diligence. PG&E's and MID's specific representations and warranties will remain for six months after the sale. MID assumes all obligations and liabilities for operating the facilities after the close of the sale. PG&E will continue to own and MID will operate the Project per the Coordinated Operations Agreement between execution of the Agreement and closure of the sale. The Agreement also contains mutual and reciprocal indemnities. Finally, the parties agree to cooperate in obtaining all approvals, permits and consents required to consummate the Agreement.

There are a couple of key reasons why PG&E pursued a sale of the Project to MID. First, there are logistical challenges associated with owning and operating the Project. As discussed above, the Project is geographically isolated from PG&E's other hydroelectric operations, and PG&E currently has no full-time hydro operations personnel stationed at or near the Project.

Additionally, based on current operating costs and expected new license conditions, compared to the value of the generation from the Project, it is not cost-effective for PG&E's customers if PG&E continues to own and operate it. Based on a 20-year net present value economic analysis (Attachment C), the option of selling the Project is anticipated to save PG&E customers approximately $3.25 million compared to continuing to own and operate the facility over the same time period. PG&E considered alternatives (such as decommissioning and surrendering the FERC license) to selling the Project, but found them to be more expensive. Under all financial scenarios, the value of the electric generation from the Project for PG&E is exceeded by the cost of continued ownership or other methods of disposition.

From MID's perspective, purchase of the Project makes sense. As discussed, MID already operates the Project and also owns a hydroelectric plant immediately upstream from the Project and a dam three miles downstream from it. Also, MID owns an irrigation canal that diverts water directly from the Project impoundment. The sale will provide MID with integrated control of several facilities located along the Merced River, as well as the opportunity to utilize Project generation at a valuation that may exceed PG&E's valuation.

The proposed sale is beneficial from both parties' perspectives and the sale price is a fair valuation based upon the interests of both parties. An appraisal conducted by PG&E generally confirms the reasonableness of the Purchase Price (Attachment D). The sale is permitted pursuant to Public Utilities Code § 377, which allows utilities to dispose of generation facilities after January 1, 2006, if authorized by the Commission under § 851.

IV. ACCOUNTING AND PROPOSED RATEMAKING

A. Historical Cost, Book Value, and Purchase Price

The total historical cost of the Project is approximately $8.51 million. Of the total historical cost, approximately $2.85 million is associated with ongoing FERC relicensing of the

Project, and is recorded to the Construction Work In Progress (CWIP) account. The historical cost less depreciation value of the Project is approximately $6.39 million, including the FERC relicensing costs. The pre-tax loss-on-sale is estimated to be $5.54 million and the after-tax loss-on sale is estimated to be $3.17 million.

The purchase price for the Project assets and relicensing material is $850,000, as previously discussed. PG&E believes that the purchase price is reasonable based on the estimated fair market value provided by *Jeff Bodington & Company*, a brokerage firm specializing in the appraising, financing, and sales of electric generation facilities.[3/] Pursuant to PG&E's agreement with the Office of Ratepayer Advocates, a table showing sales price, expenses, tax effects, and the resulting gain/loss calculation is provided as Attachment E.[4/]

B. Ratemaking and Gain (Loss) on Sale Decision

PG&E proposes the following ratemaking for the sale transaction:

- Rate base and CWIP will be reduced by the amount of the historical cost less depreciated value at the time of the sale, less the sale proceeds.
- The loss on the sale (approximately $5.54 million) will be recorded as a regulatory asset to be recovered over a 5-year period, earning an authorized return equal to the currently authorized return on rate base.
- The revenue requirement associated with the Project's retired rate base and associated estimated operating and maintenance (O&M) costs included as part of the 2014 GRC will be reduced from the base revenues recovered in customer rates.

PG&E requests that the loss from the sale of the Project be recovered in accordance with Ordering Paragraphs 6 and 7 of the Commission's Gain on Sale of Utility Assets decision,

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3/ *The Jeff Bodington & Company* brokerage firm is registered with the Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority. (See, Attachment D)

4/ *See* Application No. 95-08-035, Joint Motion Of All Parties For Adoption Of Settlement And For Waiver Of Noticed Settlement Conference And Comment Period Requirements.

Decision 06-05-041, as modified by Decision 06-12-043, which allows utilities to seek case-by-case treatment for the allocation of the loss on sale. The resulting loss from this transaction, if approved, should be treated as an exception to the percentage allocation rules adopted in the Commission's Gain on Sale of Utility Assets decision because, as previously mentioned, the sale is anticipated to save PG&E customers approximately $3.25 million compared to PG&E continuing to own and operate the facility over a 20-year time period. Because the sale benefits PG&E customers and the "routine" percentage allocation rules for asset sales would penalize PG&E shareholders and may discourage PG&E from engaging in similar future transactions that would benefit its customers, PG&E requests recovery of the entire loss on sale from PG&E customers. PG&E proposes to recover, after allocating the proceeds as noted below, the total historical cost, including CWIP, less depreciation, from customers through the creation of a regulatory asset and also retire the remaining depreciable and non-depreciable assets from rate base.

Proceeds from the sale will be allocated among depreciable property, non-depreciable property, and FERC relicensing costs in CWIP[5/] on the basis of the historical cost of the assets. Upon completion of the sale, the Project assets in rate base will be retired, and rate base and CWIP will be reduced by the remaining net book value (historical cost less deprecation) less sale proceeds, or approximately $5.54 million. The loss of approximately $5.54 million[6/] is the regulatory asset basis for revenue to be collected over a 5-year period. This amount will be amortized over a 5-year period and recovered through PG&E's Utility Generation Balancing Account (UGBA).

Additionally, this sale transaction is not included as part of the forecast rate base adopted in the 2014 GRC. As such, upon completion of the sale, the estimated average annual revenue

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5/ The relicensing costs in CWIP are included since the relicensing costs incurred are for the purpose of producing relicensing material and which will become the property of MID.

6/ The regulatory asset amount also incorporates the reversal of the deferred tax liability as reflected in Attachment E.

requirement associated with the Project assets and the estimated associated adopted O&M costs will be reduced in the UGBA to reflect the base revenue reduction.

Lastly, PG&E proposes that the final calculation of the loss-on-sale and tax information be provided to the Commission in a compliance advice letter filing submitted within 45 days following closing. Such a process is consistent with procedures that have been followed in other instances where the amount of gain (loss) was unsettled. For example, in Decision 02-12-020, which addressed the sale by PG&E of streetlight facilities to the City of Manteca, the Commission approved the allocation of gain as proposed in the application but deferred the determination of the actual gain allocation to a later compliance advice letter procedure. In accordance with this precedent, PG&E requests that the Commission approve the process discussed above for calculating and allocating the loss on the sale in its decision in this proceeding and determine the specific amounts to be so allocated upon review of a compliance advice letter to be filed by PG&E within 45 days following the closing.

V. COMPLIANCE WITH THE LAND CONSERVATION COMMITMENT (LCC)

As part of its bankruptcy Settlement and related Stipulation approved by the Commission, PG&E agreed to conserve and protect approximately 140,000 acres of watershed lands associated with its hydroelectric generating system for a broad range of Beneficial Public Values (BPVs), including: protection of the natural habitat of fish, wildlife, and plants; the preservation of open space; outdoor recreation by the general public; sustainable forestry; agricultural uses; and historic values. In accordance with the Settlement, protecting these watershed lands will be accomplished through: (1) PG&E's donation of Conservation Easements (CE) to one or more public agencies or qualified conservation organizations consistent with these objectives; and, in some cases, (2) PG&E's donation of lands in fee to one or more public agencies or qualified conservation organizations, whose ownership would be consistent with these conservation objectives.

A *Land Conservation and Conveyance Plan* (LCCP) describing the proposed encumbrance of the Property with a perpetual CE to be held by SFC and which addresses all requirements set forth in the Settlement and Stipulation will be provided to the Commission in a supplemental filing, pending final approval by the Stewardship Council Board of Directors.

The Settlement provides that PG&E is not expected to make fee simple donations of watershed lands that contain PG&E's or a joint licensee's hydroelectric project features. Accordingly, the approximately 20.5 acres associated with the Merced Falls Property were not identified as being available for donation. As such, no recommendation for fee donation was contemplated by the Stewardship Council. The Stewardship Council recommended that SFC receive a donation of a CE over the Merced Falls Property. As articulated in both the Agreement and Escrow Instructions, as a condition precedent to closing, MID will convey a CE to SFC to permanently protect the BPVs associated with the property. PG&E will not receive nor claim any monetary proceeds or tax benefits from the conveyance of this CE.

PG&E, MID, and SFC are currently negotiating the form and content of the CE. A preliminary draft of the CE is provided herein for reference (Attachment B, Exhibit A). The final CE will be provided along with the LCCP in the supplemental filing to this application referenced above that will be submitted to the Commission upon its completion and approval by PG&E, MID, and SFC and recommendation by the Stewardship Council. PG&E anticipates that the LCCP and final CE will be submitted in mid-2015. As an alternative, if desired by the Administrative Law Judge, PG&E is willing to submit the LCCP and final CE to the Commission for approval by Advice Letter consistent with the streamlined procedures adopted by the Commission in Decision (D.) 08-11-043 (as modified by D.10-08-004) rather than though a supplemental filing to this application.

VI. CEQA COMPLIANCE – NOTICE OF EXEMPTION

The California Environmental Quality Act (CEQA) requires any California government agency approving a discretionary project to consider the environmental impacts of its decisions.

(Cal. Pub. Res. Code, § 21080.) A project is an activity that "may cause either a direct physical change in the environment, or a reasonable foreseeable indirect physical change in the environment" and either (a) is directly undertaken by any public agency, (b) is supported by contracts, grants, subsidies, loans, or other forms of assistance from a public agency, or (c) involves the issuance of a lease, permit, license, certificate, or other entitlement for use by one or more public agencies (Cal. Pub. Res. Code, § 21065). Accordingly, the Commission is typically required to consider the environmental consequences of projects that are subject to the Commission's discretionary approval.

However, under the CEQA Guidelines (14 Cal. Code. Regs., §15000, et seq.), where a project is to be approved by more than one public agency, only one agency becomes the "Lead Agency" for purposes of CEQA (CEQA Guidelines, § 15050(b)-(c)).

As previously discussed, after the sale, MID plans to operate the Project in essentially the same manner as before. Therefore, this proposed transaction has no potential for "either a direct physical change in the environment or a reasonable foreseeable indirect physical change in the environment".

Further, MID, serving as the CEQA Lead Agency, has concluded that the Project is exempt from the requirements of CEQA. The following is contained in a resolution of the MID Board of Directors approved August 5, 2014 (Attachment F).

> "The Board determines that the proposed action is exempt from requirements of the California Environmental Quality Act (CEQA) pursuant to exemptions contained in Title 14 of the California Code of Regulations, including but not limited to the exemptions set forth in §§15261 (project approved prior to 1970), 15301 (existing facilities), and 15304 (minor alterations to land), and 15307 and 15308 (protection of natural resources and the environment). The transaction is additionally generally exempt under CEQA Guideline §15061(b)(3) because it may be seen with certainty that there is no possibility that the transaction may have a significant effect on the environment."

The Commission, serving as a Responsible Agency can reasonably rely on MID's CEQA findings and conclusions.

VII. RELATED FERC PROCEEDINGS

The Project is licensed by FERC as Project No. 2467, and PG&E is the licensee. The current operating license expired on February 28, 2014. PG&E submitted its application to the FERC for issuance of a new project license on February 8, 2012. The Project is presently operating under an annual renewed license, pending a final licensing decision by FERC.

Section 8 of the Federal Power Act (FPA) (16 U.S.C. § 801) provides that the FERC license may be transferred only with the written approval of the FERC. PG&E, as the licensee, must file an application with the FERC that sets forth the qualifications of MID to hold the license and to operate the Project. Therefore, PG&E and MID will jointly file a license transfer application with the FERC. PG&E expects FERC to approve the transfer because it is in the public's interest and because MID has clearly demonstrated its capability to operate the Project.

Additionally, FERC Standard License Article 5 requires licensees to obtain and hold the interests in lands and other properties necessary to operate their licensed projects; and to obtain prior FERC permission to sell, lease or otherwise dispose of such interests. Consequently, MID must file a Request for Approval to Transfer an Interest in Project Lands, which FERC must approve before MID may convey a conservation easement to SFC. Once filed, the parties expect approval in approximately three to four months.

VIII. COMPLIANCE WITH THE COMMISSION'S RULES OF PRACTICE AND PROCEDURE

PG&E provides the following information in compliance with the Commission's Rules of Practice and Procedure.

A. Categorization, Hearings, and Issues to be Considered (Rule 2.1(c) and Rule 7.1)

1. Proposed Category

PG&E proposes that this Application be categorized as a "ratesetting" proceeding.

2. Evidentiary Hearing

PG&E submits that hearings are unnecessary to address this Application, as PG&E's

proposals here, including the attachments, constitute a sufficient record for the Commission to rule on PG&E's proposals. PG&E proposes a procedural schedule in Section 4 below.

3. Issues to be Considered

(a) approval of PG&E's proposed sale of the Merced Falls Hydroelectric Project;

(b) approval of PG&E's proposed ratemaking treatment of the proposed sale; and

(c) approval of the conservation easement granted to Sierra Foothill Conservancy.

4. Proposed Schedule

PG&E proposes the following procedural schedule:7/

April 1, 2015:	Application Filed
Notice + 30 days:	Responses/Protests
+ 10 days:	Reply to Responses/Protests (if needed)
+ 30 days:	Proposed Decision
+ 30 days:	Commission Decision

B. Legal Name and Location of Applicant Information (Rules 2.1(a), 2.1(b), and 3.6(a))

Since October 10, 1905, PG&E has been an operating public utility corporation, organized under the laws of the State of California. PG&E is engaged principally in the business of furnishing gas and electric service in California. PG&E’s principal place of business is 77 Beale Street, San Francisco, CA 94105. Correspondence and service to PG&E for this

7/ This schedule assumes that the application does not present contested factual issues, and that neither hearings nor briefings are required.

Application should be addressed to:

J. Michael Reidenbach Law Department Pacific Gas and Electric Company P.O. Box 7442 Mail Code B30A San Francisco, CA 94120 Telephone: (415) 973-2491 Facsimile: (415) 973-5520 JMRb@pge.com	Igor Grinberg Case Manager Pacific Gas and Electric Company P.O. Box 7442 Mail Code B9A San Francisco, CA 94120 Telephone: (415) 973-8580 Facsimile: (415) 973-6272 IXG82pge.com

Correspondence and service to MID for this Application should be addressed to:

Phillip R. McMurray General Counsel Merced Irrigation District 744 West 20th Street Merced, CA 95340 Telephone: (209) 354-2855 Email: PMcMurray@mercedid.org

C. Articles of Incorporation (Rule 2.2)

A certified copy of PG&E's Restated Articles of Incorporation, effective April 12, 2004, was filed with the Commission on May 3, 2004 with PG&E's Application 04-05-005. These articles are incorporated herein by reference.

D. Balance Sheet and Income Statement (Rule 3.2(a)(1))

PG&E's latest available balance sheet and income statement are attached as Attachment G to this application.

E. Most Recent Proxy Statement (Rule 3.2 (a)(8))

PG&E's most recent proxy statement was filed with the Commission on June 24, 2014, in Application 14-06-020. This proxy statement is incorporated herein by reference.

F. Description of the Property Involved in the Agreement, Including Book Cost and Original Cost (Rule 3.6(b))

The Project is a hydroelectric facility located on the Merced River on the border of

Merced and Mariposa Counties, California. It generally consists of a 3.5 MW hydroelectric powerhouse, a concrete gravity dam, a reservoir, related equipment, approximately 20.5 acres of land, a FERC license, easements and water rights. The Book Cost is approximately $6.39 million and the Original Cost is $8.51 million.

G. Detailed Reasons upon the Part of Each Applicant for Entering into the Proposed Transaction, and all Facts Warranting the Same (Rule 3.6(c))

Reasons why PG&E is selling the Project are discussed above and include: (1) logistical challenges with owning and operating the Project, and (2) it is not cost-effective for PG&E's customers to have PG&E own the Project. Reasons why MID is purchasing the Project include: (1) MID already owns and operates hydro facilities in the area, and (2) the sale will provide MID with integrated control of several facilities along the Merced River.

H. Purchase Price and The Terms for Payment (Rule 3.6(d))

The sale price is $850,000. MID will pay $50,000 at execution of the Agreement and pay the remaining balance at closing.

I. Purchase and Sale Agreement (Rule 3.6(f))

Pursuant to Rule 3.6(f), a copy of the Purchase and Sale Agreement between PG&E and the Buyer and a grant deed are appended hereto as Attachment B.

IX. SERVICE

A copy of this Application has been served on the service list for A.08-04-020 and additional parties identified by the Stewardship Council in accordance with Section 3.2 of the settlement agreement adopted in aforementioned proceeding. Additionally, the Commission has directed PG&E to serve "any future Public Utilities Code Section 851 applications regarding land and/or hydroelectric facilities on local jurisdictions, such as cities, counties, special use districts, and federal and state resource agencies." (D.99-04-015 at Ordering Paragraph 8, 1999 Cal. PUC LEXIS 238, *23-*24; D.99-04-022 at Ordering Paragraph 7, 1999 Cal. PUC LEXIS 154, *27.)

In compliance with this order, PG&E is serving a Notice of Availability to this application on the attached service lists, including the following entities:

— Merced Irrigation District
— Merced County
— Mariposa County
— California Public Utilities Commission, Office of Ratepayer Advocates
— California Public Utilities Commission, Energy Division
— California Independent System Operator
— California Resources Agency
— California Environmental Protection Agency
— United States Environmental Protection Agency
— United States Department of the Interior
— United States Department of Agriculture - Forest Service
— Federal Energy Regulatory Commission

X. ATTACHMENTS

A. Coordinated Operations Agreement

B. Purchase and Sale Agreement, Exhibits and Schedules

C. Net Present Value Analysis of Continued Project Operations

D. Appraisal of the Project

E. Table Showing Sales Price, Expenses and Tax Effects

F. MID Board of Directors Resolution

G. PG&E's latest available balance sheet and income statement

XI. CONCLUSION

WHEREFORE, Applicant PACIFIC GAS AND ELECTRIC COMPANY respectfully requests the Commission to issue an order as follows:

1. Authorizing PG&E to sell to MID the Merced Falls Hydroelectric Project and associated assets in accordance with the terms and conditions of the Purchase and Sale Agreement.

4. Granting such other and further relief as the Commission deems proper.

Dated at San Francisco, California, this 1st day of April, 2015.

Respectfully Submitted,

By: ______________________________
J. MICHAEL REIDENBACH

Pacific Gas and Electric Company
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April 1, 2015

Attorney for
PACIFIC GAS AND ELECTRIC COMPANY

Merced Irrigation District supports and signs this application as buyer under the Purchase and Sale Agreement, pursuant to Rule 3.6 of the Commission's Rules of Practice and Procedure:

By: /s/ John Sweigard
JOHN SWEIGARD
General Manager, Merced Irrigation District

2. Approving the ratemaking treatment requested by PG&E herein;
3. Approving the Conservation Easement as requested by PG&E herein; and
4. Granting such other and further relief as the Commission deems proper.

Dated at San Francisco, California, this ____ day of March, 2015.

Respectfully Submitted,

By:____
J. MICHAEL REIDENBACH

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E-Mail: JMRb@pge.com

Attorney for
PACIFIC GAS AND ELECTRIC COMPANY

Merced Irrigation District supports and signs this application as buyer under the Purchase and Sale Agreement, pursuant to Rule 3.6 of the Commission's Rules of Practice and Procedure:

By: ____
JOHN SWEIGARD
General Manager, Merced Irrigation District

Dated: March 30, 2015

VERIFICATION

I, the undersigned, say:

I am an officer of Pacific Gas and Electric Company, a corporation, and am authorized to make this verification on its behalf. The statements provided in the foregoing document are true of my own knowledge, except as to matters which are therein stated on information or belief, and as to those matters I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on April 1, 2015, at San Francisco, California.

PACIFIC GAS AND ELECTRIC COMPANY

ROY M. KUGA
Vice President, Energy Supply Management

VERIFICATION

I, the undersigned, say:

I am the General Manager of Merced Irrigation District, a governmental entity, and am authorized to make this verification on its behalf. The statements provided in the foregoing document are true of my own knowledge, except as to matters which are therein stated on information or belief, and as to those matters I believe them to be true.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on March 30, 2015, at Merced, California.

MERCED IRRIGATION DISTRICT

JOHN SWEIGARD
General Manager, Merced Irrigation District

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